

# Malicious Code

Thierry Sans

# Malware

## Action

Rabbit

Spyware

Adware

Spamware

Ransomware

Rootkit

Backdoor

Virus

Worm

Trojan Horse

Logic Bomb

## Dissimulation

## Control

# Action

- performs unsolicited operations on the system

- **Rabbit** exhausts the hardware resources of a system until failure
- **Backdoor** allows an attacker to take control of the system bypassing authorization mechanisms
- **Spyware** collects information
- **Spamware** uses the system to send spam
- **Ransomware** restricts access to system's data and resources and demands for a ransom
- **Adware** renders unsolicited advertisement

## **Dissimulation**

- avoid detection by anti-malware programs

**Rootkit** hides the existence of malicious activities

# Infection

- penetrate a system and spread to others

## Replication

- copy itself to spread

- **Virus** contaminates existing executable programs
- **Worm** exploits a service's vulnerability

## Subterfuge

- based on user's credulity

- **Trojan Horse** tricks the user to execute the malicious code

# Control

- activate the malicious code

- **Backdoor** communicates with command & control servers allowing an attacker to control the virus
- **Logic Bomb** activates the malicious code when certain conditions are met on the system

# The history of malicious code

# Chronology

- 70's - The era of the first self-replicating programs
- 80's - The era of maturity and first pandemics
- 90's - The era of self-modifying virus and macro viruses
- 00's - The era of Trojan horses and internet worms
- 10's - The era of cyber-warfare viruses

**70's - The era of  
the first self-replicating programs**

# The era of the first self-replicating programs (70's)

## **ANIMAL** (a popular game)

- Replication through the filesystem
- No effect

**Simple Joke**

## **Creeper** (and **Reaper**) on Tenex OS (Arpanet)

- Replication through a modem and copied itself to the remote system
- Displays the message  
I'M THE CREEPER : CATCH ME IF YOU CAN

**Disruptive**

## The **Rabbit** program

- Replication through the filesystem
- Reduces system performance till crashing

**Destructive**

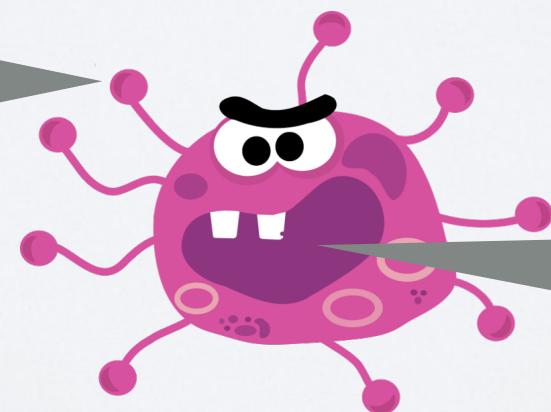
# Anatomy of a Virus

A **virus** can be

- a malicious code embedded in an existing program and replicates itself by infecting other programs through the filesystem or the network
- a program that exists by itself and replicates through the filesystem or network

## Infection vector

how the virus penetrate  
the system



## The payload

what the virus does

# Resident vs. Non-resident

## **Non-resident virus**

- The virus becomes inactive as soon as the infected program terminates

## **Resident virus**

- The virus remains in memory even after the infected programs terminates

**80's - The era of  
maturity and first pandemics**

# Apparition of boot sector viruses

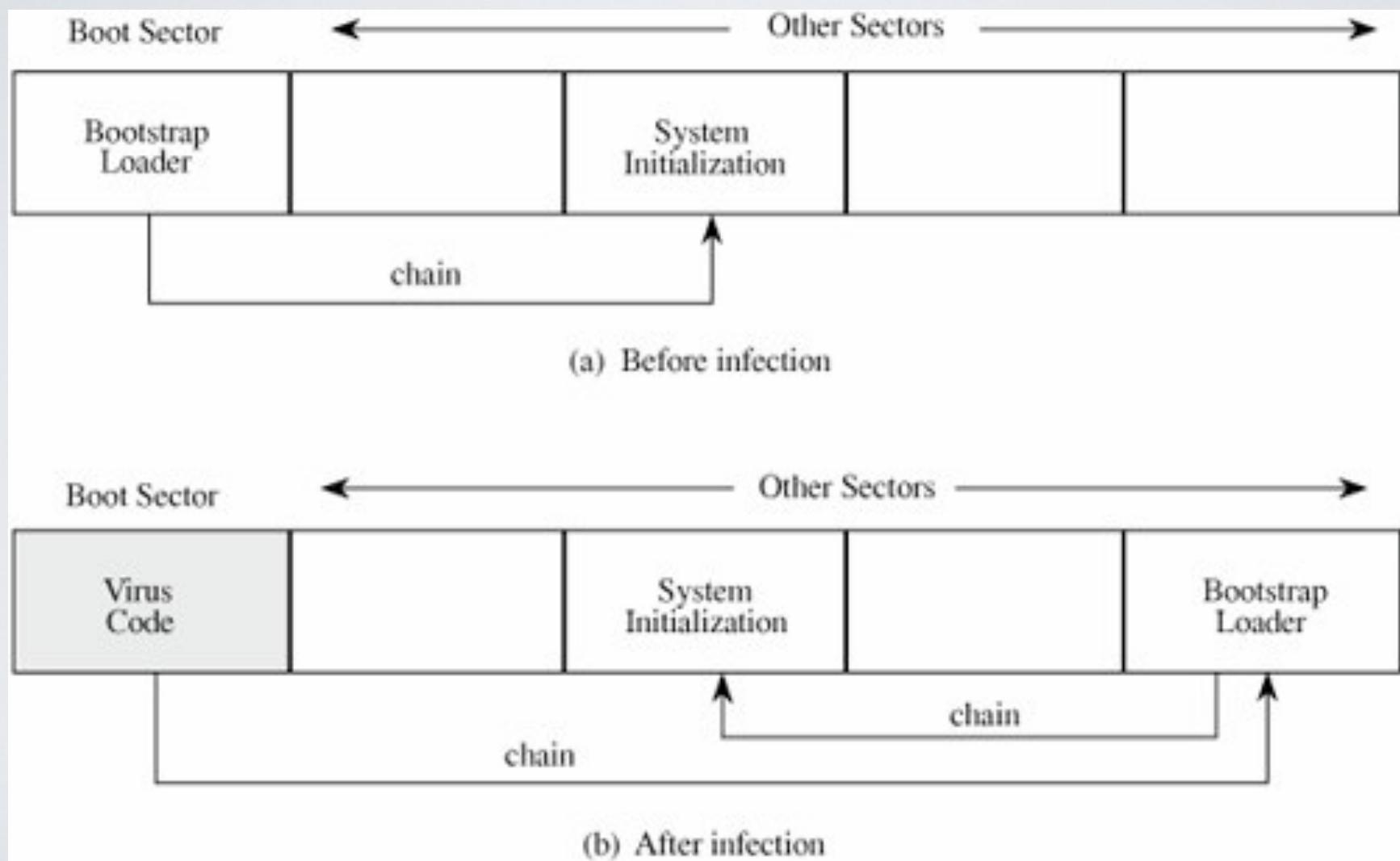
## **Elk Cloner** (Apple II) in 1982

- An infected computer would display a short poem on every 50th boot

## **Brain** (IBM/PC) in 1984

- The disk label is changed to “Brain” and an advertisement text is written in boot sectors

# Anatomy of a “boot sector” virus



# 1987 - the beginning of pandemics

## **Jerusalem** (MS-DOS)

- Destroys all executable files on infected machines upon every occurrence of Friday the 13th

## **SCA** (Amiga)

- Displays a text every 15th boot
- 40% of the Amiga owners were infected

## **Christmas Tree EXEC** (IBM/PC)

- Displays a snow flow animation
- Paralyzed several international computer networks in December 1987

# The first anti-virus softwares (end of 80's)

## **Virus scanner** (detection)

- Signature based -  
Using a signature database of existing viruses
- Behavior based  
Looking for suspicious code patterns that can be used by viruses

## **Virus removal tools** (sanitation)

- Cleaning the memory and the filesystem

# Avoiding detection

## **Cascade** (1987)

- The virus encrypts itself with a cryptographic key and changes this key when replicating itself
  - ✓ Each instance of the virus does not look the same
- This is the emergence of polymorphic viruses

**90's - The era of  
self-modifying virus  
and macros viruses**

# The era of self-modifying virus (90's)

The **Chameleon** family (1990)

**Ply** (1996)

- DOS 16-bit based complicated polymorphic virus with built-in permutation engine

# Anatomy of a “polymorphic” virus

A **polymorphic virus** mutates when replicating  
(but keeps the original algorithm intact)

- By using cryptography
- By injecting garbage code
- By doing permutations within certain instructions or block of instructions
- By using code obfuscation technique

How to detect it?

- By detecting code patterns used for the self-modification

# Metamorphic Virus

A **metamorphic virus** can reprogram itself

- by using different instructions
- and by using different strategies to implement a functionality

**Zmist** (2000)

- First metamorphic virus

**Simile** (2001)

- First a multi-OS metamorphic virus

# Macro Viruses

A **macro virus** is written in scripting languages used by some office applications (can be cross-platform)

- Written in VBS, embedded in a MS-office document, activated when the document is open (autoload function)

## Concept (1995)

## Melissa (1999)

- March 26 1999, Melissa shut down e-mail systems that got clogged with infected e-mails

**00's - The era of  
Trojan horses  
and internet worms**

# Anatomy of a Trojan horse



A **Trojan horse** is a program that disguise itself as a legitimate program or file

- In most cases, Trojan horses replicate themselves through emails

# The big stars among trojan horses

## **VBS/Loveletter ILOVEYOU** (2000)

- Caused 5.5 to 10 billion dollars in damage

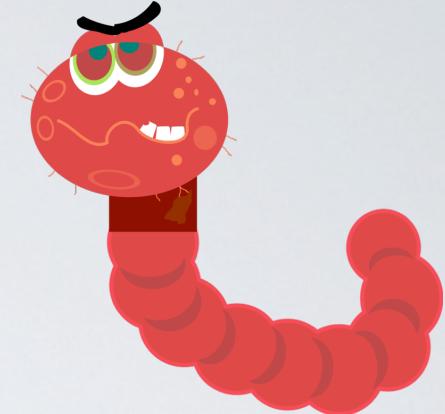
## **Sobig** (2002)

- Sobig.F set a record in sheer volume of e-mails

## **MyDoom** (2002)

- Broke the record set by Sobig.F

# Anatomy of a worm



A **worm** exploits a security flaw (often of a network service) to infect the machine and replicates itself through the network

- Very fast infection (does not need the user to be activated)
- Has a payload as well (more or less harmful)

## Factors

- The wide adoption of internet
- The global network is a good medium for virus pandemics
- The multiplication of internet applications and services
- Fast publication of program vulnerabilities
- Slow release of corrective patches
- Slower adoption of these patches (not automatic)

## **Code-Red** (2001)

- Exploits a security flaw (buffer overflow) of Microsoft IIS web server (MS01-033) patched one month earlier
- In few days, 359 000 machines infected

## **Nimda** (2001)

- Exploits another security flaw of MS-IIS
- The Internet's most widespread worm so far (the most part of the infection was done in 22min)

## **Klez** (2001)

- Exploits a security flaw of Microsoft Internet Explorer layout engine used by Outlook and IE
- Infection through email attachment however the user does not have to open this attachment to get infected

## **SQL-Slammer** (also called **Sapphire**) (2002)

- Exploits a security flaw in MS-SQL servers for which a patch had been released six months earlier (MS02-039)
- Infected 75,000 machines in 10 minutes causing caused a massive denial of service and dramatically slowed down global Internet traffic

## **Sasser** (2002)

- Exploiting a buffer overflow of Microsoft LSASS on Windows 2000 and XP systems
- Many companies had to shut down their services

## **Blaster** (also known as **Lovesan**) (2003)

- Exploits a security flaw in DCOM-RPC services on Windows 2000 and XP
- Was supposed to do SYN flood on August 15, 2003 against port 80 of windowsupdate.com

## **Welchia** (also known as **Nachia**) (2003)

- Exploits the same security flaw than Blaster
- Corrects the security flaw by patching the system

## **Conficker** (2008)

- Exploits a security flaw in NetBIOS
- Disables auto-update
- Embeds a dictionary password cracker and a backdoor to turn the machine into a “bot”
- Believed to be originated from Ukraine and/or Russia

# The first web-worm

## **Santy** (2004)

- Exploited a vulnerability in phpBB and used Google in order to find new targets
- It infected around 40 000 sites before Google filtered the search query used by the worm, preventing it from spreading

# The emergence of XSS worms

An **XSS worm** exploits a cross site scripting (XSS) within a website (see lecture on web security)

## **Samy** (2005)

- Targeting MySpace (social network)

## **JTV.worm** (2008)

- Targeting Justin.tv (video casting)

## **Twitter.worm** (2010)

- Targeting Twitter (micro-blogging)

**10's - The era of  
cyber-warfare malware  
& Ransomware  
& IoT malware**

# The first cyber-warfare virus

## **W32.Dozor** (July 2009)

- A virus that created a botnet dedicated to perform a DDoS attack South Korea and US government website on July 4th
- Believed to be originated from China and/or North Korea

## **Stuxnet** (Sept 2010)

- A very sophisticated virus that targets SCADA systems (supervisory control and data acquisition)
- Believed that it took down 4000 nuclear centrifuges in Iran
- Believed to be originated from the USA and Israel

## **Flame** also called **Skywiper** (May 2012)

- An espionage virus that embeds sophisticated spywares
- Believed to be originated from the USA  
(*Olympic Games* defense program)

## Another trend - Ransomware

### **Reveton** (2012)

- Displays a message from the law enforcement agency saying that you have pirated software and child pornography on your machine
- Ask you to pay a fine using a prepaid cash service

### **CryptoLocker** (2013)

- Encrypt specific files on your machine with a 2048 RSA key
- Ask you to pay a ransom with Bitcoins

“Ransomware attacks grew by 500% in 2013 and turned vicious”

source : Symantec Internet Security Threat Report 2014

... and it turned vicious

## **WannaCry** and **Petya** (2017)

- Use a vulnerability found in the NSA hacking toolkit leak
- Researchers have found a "kill switch"
- Paralyzed hospitals in UK and trains in Germany

# Late 10's - the mergence of IoT malware

## **Mirai** (2016)

- Infects IoT devices
- Most powerful DDoS attacks to date

# The stupid trend of hoax viruses

## A **hoax virus**

- 1. gives you the method to detect and remove the virus  
(often a real and important system file)
- 2. asks you to transfer this email to your contacts

## What are the effects?

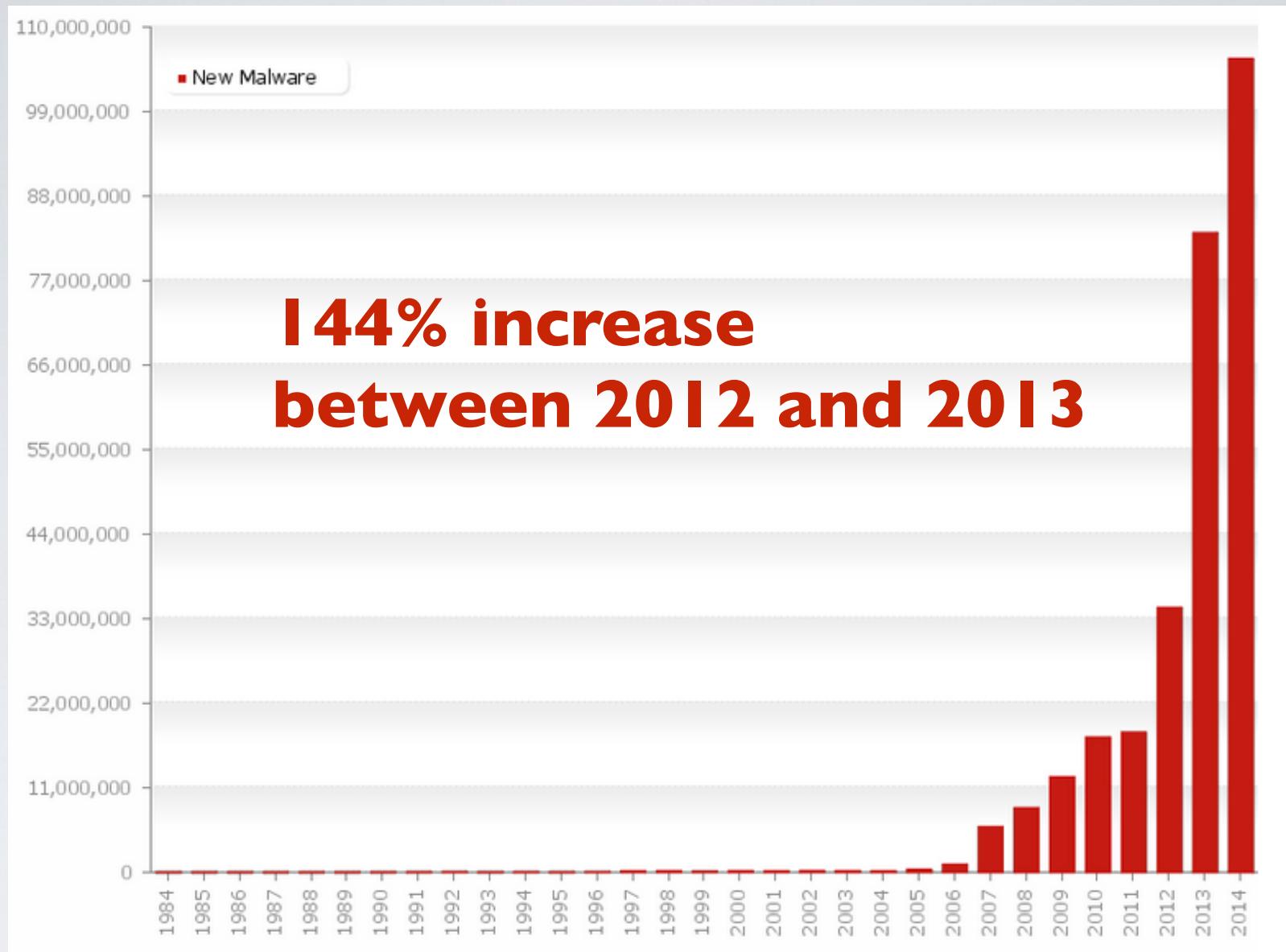
- Hoax viruses are harmless (almost)  
and do nothing by themselves (but users do)

## How to remove it?

- Delete the email :)

# Modern Malicious Code

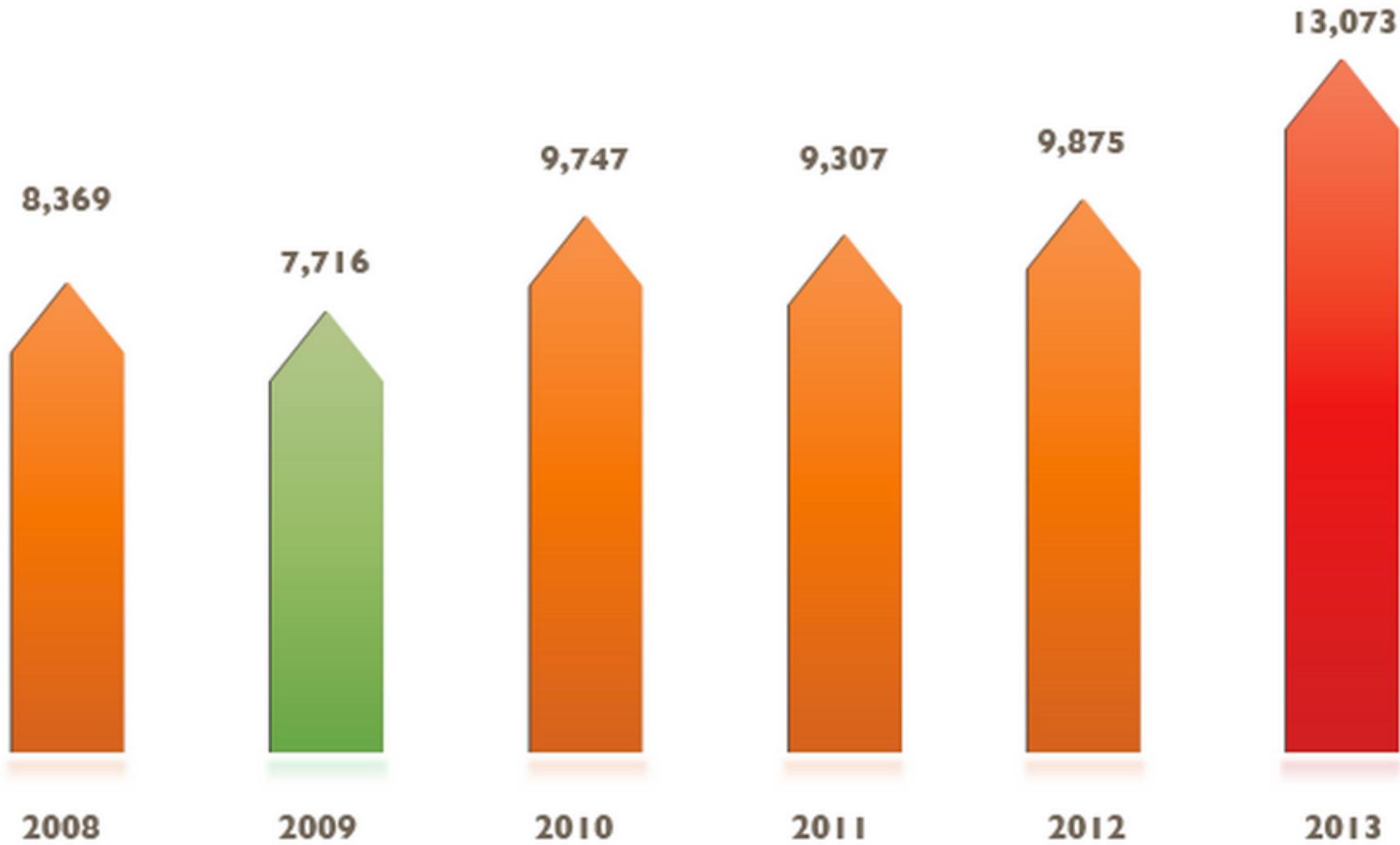
Thierry Sans



The Explosion of Unknown Malware

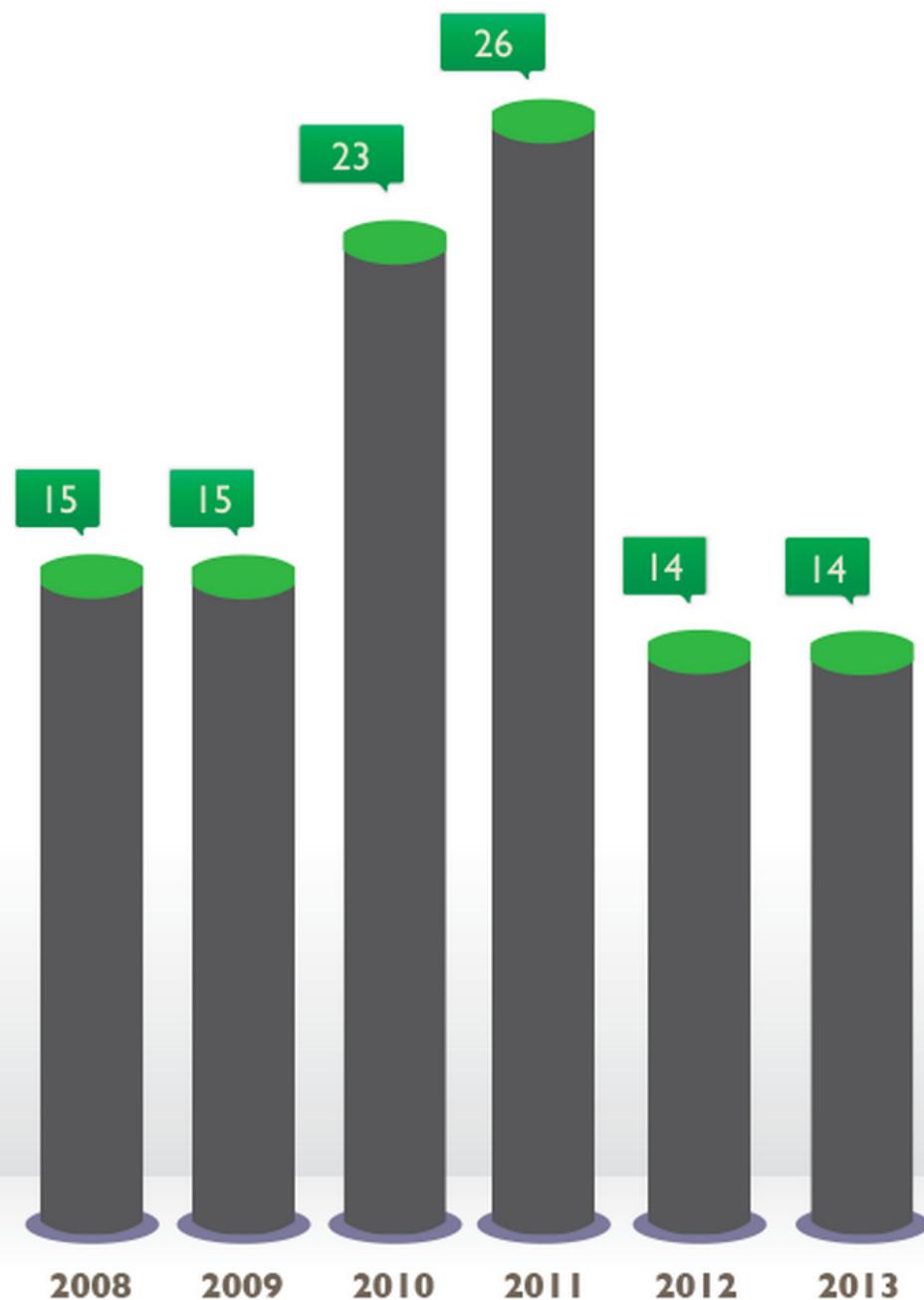
AV-TEST Institute

[av-test.org](http://av-test.org)



Vulnerability Review 2013  
Secunia

## Zero-Days In All Programs



Vulnerability Review 2013

Secunia

Why?

## **“Malicious Software and its Underground Economy”**

joint work with *Omar Abou Selo* (undergrad at CMU) in 2014

### **Original research problem**

- how easy is it to hire a hacker or get cutting-edge hacking tools on the internet (hacker's forums)?

### **Conclusion**

- creating a new malware is as simple as assembling pieces available online

# How to create a new malware? 3 step process

1. Create the malware's payload
2. Make the malware undetectable
3. Spread the malware

# How to create a new malware? 3 step process

## I. Create the malware's payload

### a.k.a building a RAT

2. Make the malware undetectable
3. Spread the malware

# What a malware do

- take control of the victim's device turning it into a **zombie/bot**
- act as a **spam relay** or **DDoS relay**
- steal **personal information**  
including passwords, credit card numbers, banking credentials
- **click bot** : generating web traffic
- ... and so on

# Remote Access Tool (RAT)

Basically a **remote administration tool** with

- stealth features
- and specific functionalities such as :
  - camera controller
  - hardware destroyer
  - password / credit card loggers
  - ... and so on

# DIY RAT - program a RAT yourself

## Pro

- Free
- Personalized

## Cons

- Time consuming
- Requires good expertise of the targeted system

# Buy a RAT as a COTS\*

## Some RAT Builders

- **Zeus** (2007) initially \$700, now open source
- **DarkComet** (2008), open source
- **BlackShades** (2010) can now be purchased from an official company \$49 - \$56



### BLACKSHADES NET (VPN INCLUDED!)

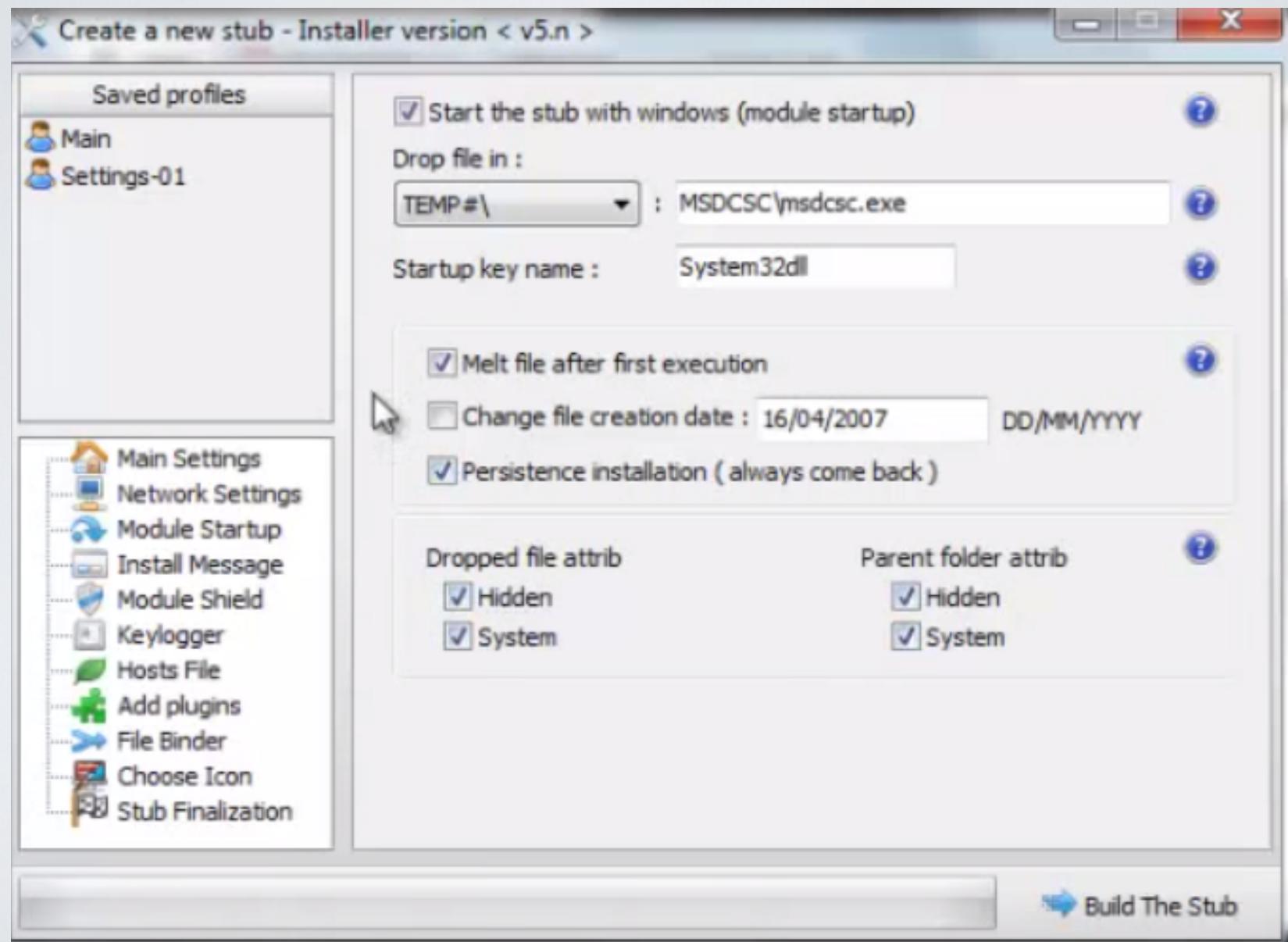
Blackshades NET has for several years been considered as simply the best RAT (Remote Administration Tool) on the market. Its main purpose is to allow users to easily control clients from around the world.

### BLACKSHADES STEALTH

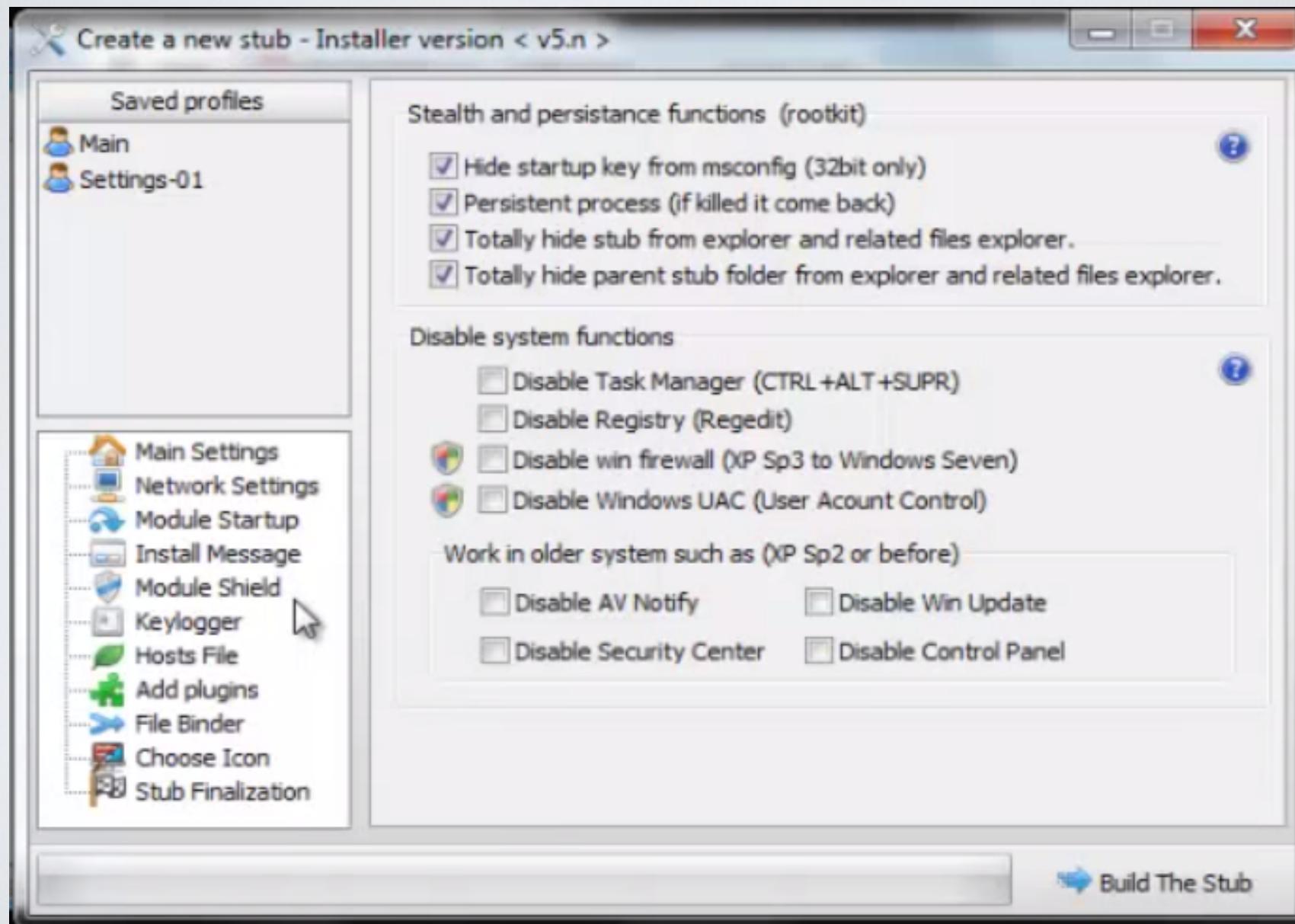
The first RAT client to be coded in Java while the bin is C. Blackshades Stealth is extremely fast & secure. All of your traffic data is encrypted with AES. You can pull up the server's screen, webcam and audio on the fly.

\* Commercial Off-The-Shelf

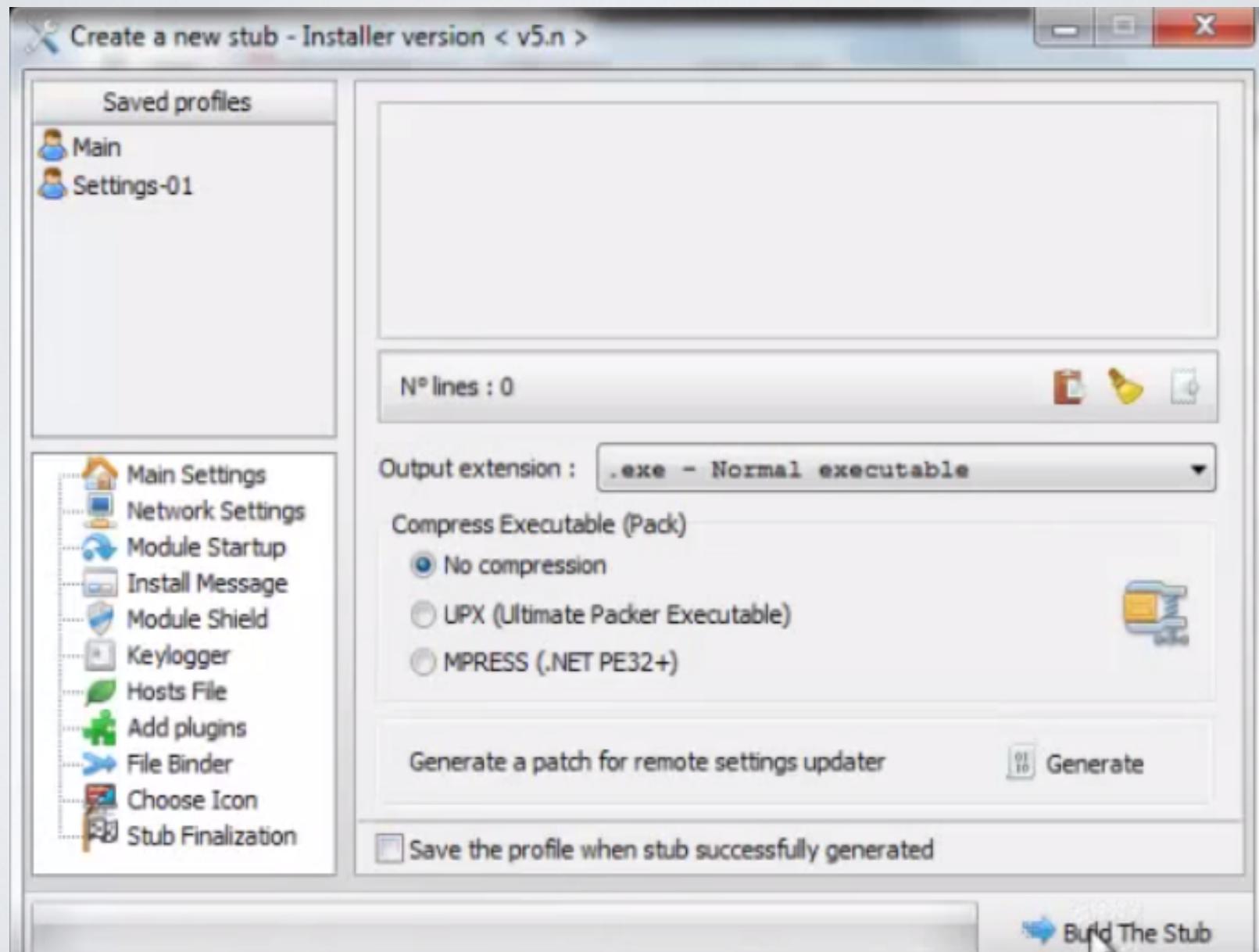
# Startup and file options



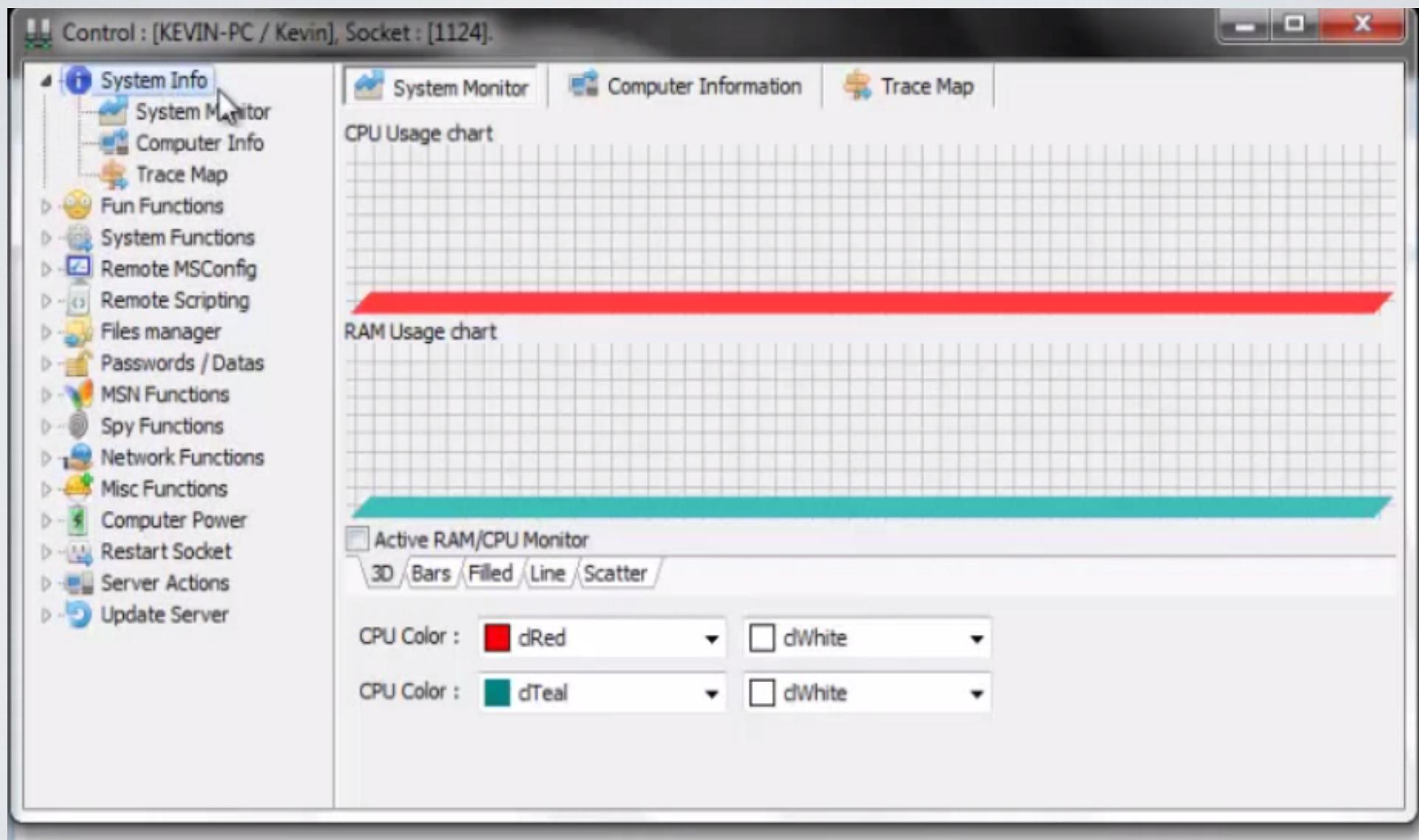
# Stealth and persistence options



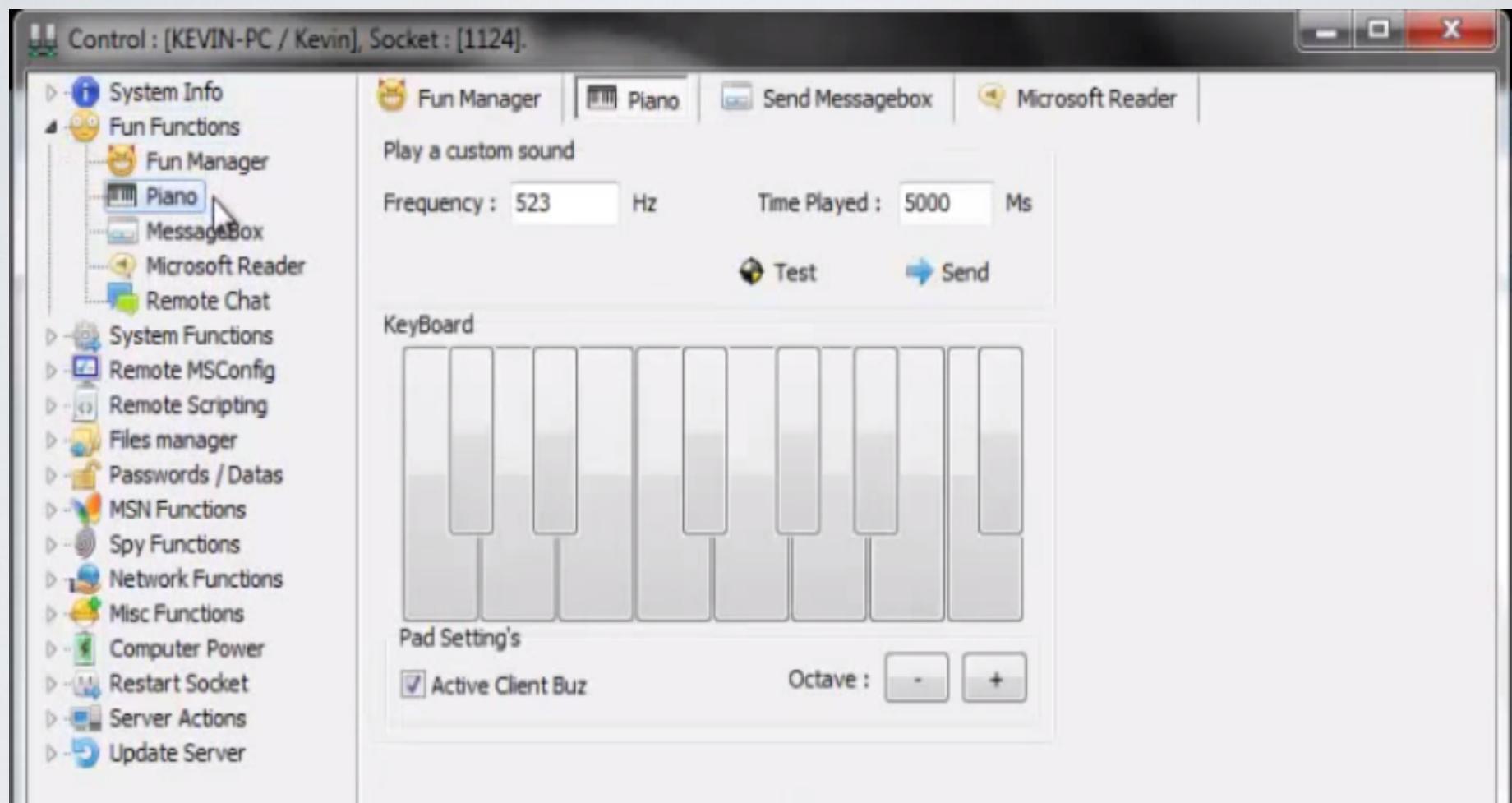
# Finally building the RAT



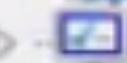
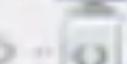
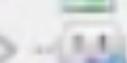
# Monitor System info



# Troll



# Other functionalities

- ▷ -  System Functions
- ▷ -  Remote MSConfig
- ▷ -  Remote Scripting
- ▷ -  Files manager
- ▷ -  Passwords / Datas
- ▷ -  MSN Functions
- ▷ -  Spy Functions
- ▷ -  Network Functions
- ▷ -  Misc Functions
- ▷ -  Computer Power
- ▷ -  Restart Socket
- ▷ -  Server Actions
- ▷ -  Update Server

# Are we done yet?

**virus total**

SHA256: 858fb1fc03614802aee5be779b454b16384a1c051f925dbb360e8fcfa12fc6a3

File name: DarkCometRAT531.zip

Detection ratio: 42 / 50

Analysis date: 2014-04-27 11:58:13 UTC ( 5 hours, 26 minutes ago )

 35 124

Analysis Relationships Additional information Comments 1 Votes

Antivirus	Result	Update
AVG	Generic23.AVVP.dropper	20140427
Ad-Aware	Trojan.Generic.KDV.388330	20140427
Agnitum	HackTool.Binderluc8D13KnW4U	20140427
AntiVir	SPR/Binder.bs.1	20140426
Antiy-AVL	HackTool/Win32.Binder	20140427
Avast	Win32:Malware-gen	20140427

# How to create a new malware? 3 step process

I. Create the malware's payload

## **2. Make the malware undetectable a.k.a packing a malware**

3. Spread the malware

# How antivirus detect malware? 2 techniques

## I. Static Analysis

- Scan program comparing it to a collection of signatures

How to bypass it ? encryption and code obfuscation

## 2. Dynamic Analysis

- Run program in a sandbox and infer from its behavior

How to bypass it? detect the sandbox environment  
and employ trigger based behaviors

# DIY packing - make the code undetectable yourself

## Pro

- Free
- Personalized

## Cons

- Time consuming
- Requires good expertise of cryptography, code obfuscation and execution environment

# Buy a Crypter as a COTS

Some available Crypters

- **Byte Crypter** \$35 for 3 months, \$60 for lifetime
- **Datascrambler** \$20 for 3 months, \$40 for a year
- **BlackShades Crypter** from an official company \$60 for 3 months, \$100 for a year

## Crypters



### BLACKSHADES PROTECTOR (SOFTWARE BASED)

Blackshades Protector V2 is probably the strongest protector one can find on the market. Our protector offers a wide range of encryption and obfuscation options.



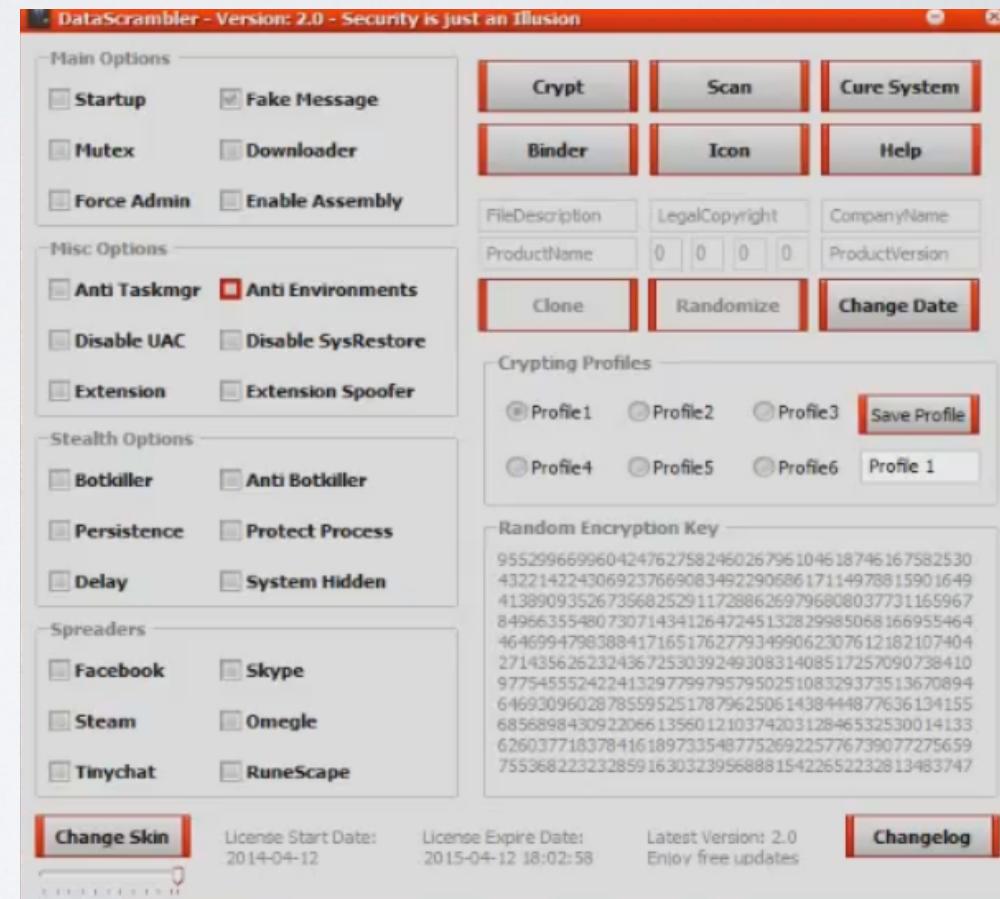
### BLACKSHADES PROTECTOR (WEB BASED)

Blackshades Protector is an extremely lite and powerful protector, designed for users who take their privacy serious and wish to avoid complications. With our cheap lifetime license, you may protect as many files as you wish online for the rest of your life!

# A look at Datascrambler

Functionalities include:

- Start malware on startup
- Block sandbox from monitoring
- Kill other bots on victims pc
- Protect from botkiller
- Delay for dynamic analysis
- Persistence
- Binder



# How to create a new malware? 3 step process

1. Create the malware's payload
2. Make the malware undetectable
- 3. Spread the malware**

# Spread the malware using social engineering

- ➡ Trick people to download and install the malware
  - tutorial about hacking that makes you install the malware
  - video/chat player to access exclusive content or talk to exclusive people
  - pirated software on P2P networks

## Pro

- ➡ Free

## Cons

- ➡ Difficult to get cautious people infected
- ➡ Limited impact

# Spread the malware using through a webpage

- Exploit a browser/plugin vulnerability to automatically download and install the malware on the victim's device

## Pro

- Everyone with a vulnerable browser can be infected
- Can be used for massive infections and targeted ones

## Cons

- Requires good expertise of the target browser, its vulnerabilities and how to exploit them

# Buy an Exploit Bundle/Kit and associated services

1. **Exploit bundle** : \$25/day, \$400/month, up to \$3,000

- program to embed into a webpage

2. **Bulletproof host** : \$15–250 per month

- hosting service to bypass any kind of IP filtering  
anti-spam, anti-virus, anti-malware, law enforcement,  
search engine anti-malware service and so on

3. **Traffic** : \$4–10 per 1,000 unique hits

- attract people to visit the infected webpage

# Examples of Exploits Kits

<http://contagiodump.blogspot.com/2010/06/overview-of-exploit-packs-update.html>

- **Blackhole** (2010, latest version in 2013)  
19 CVEs mainly targeting Java and Adobe products  
<http://community.websense.com/blogs/securitylabs/pages/black-hole-exploit-kit.aspx>
- **Redkit** (2013)  
4 CVEs mainly targeting Java  
<http://nakedsecurity.sophos.com/2013/05/03/lifting-the-lid-on-the-redkit-exploit-kit-part-1/>

# Buy installs of your malware

- Use a spreading service also called Pay-Per-Install (PPI)  
\$12 – \$550 per 1000 infections

## Pro

- Easy
- Can be selective about the geolocation of the hosts

## Cons

- Pricy

Продам загрузки   Sell loads	
Продаю загрузки различных стран Мира	
-----	
UK	400\$
CA	400\$
DE	400\$
US	350\$
RU	200\$
UA	200\$
-----	
EU MIX	150\$
SNG MIX	150\$
WORLD MIX	60\$
-----	

# Conclusion

Creating a malware, making it undetectable and spreading it would normally be difficult and require a good deal of expertise

**However**, the cyber underground market makes this process accessible to the mass given a small amount of money

# Consequences

**Antivirus “is dead”** says Brian Dye, Symantec's senior vice president for information security. **“We don't think of antivirus as a moneymaker in any way.”**

Symantec Develops New Attack on Cyberhacking  
*The Wall Street Journal*

## Other findings

The cyber underground market offers many services

- Buy Youtube views, Facebook likes, Twitter followers
- Hacker for hire
- Botnet rental
- DDoS services
- Spamming services
- “Update” your college grades

# Excellent Reference

## **“Russian Underground 101”**

*Max Goncharov, Trend Micro Incorporated, 2012*

<http://www.trendmicro.com/cloud-content/us/pdfs/security-intelligence/white-papers/wp-russian-underground-101.pdf>